



Department of Justice

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SECOND DEFENDANT SENTENCED IN MORTGAGE FRAUD SCHEME

PRESS RELEASE

INDIANAPOLIS - Beverly A. Ross, 51, Noblesville, Indiana, was sentenced to 63 months in prison today by U.S. District Judge Larry J. McKinney following her guilty plea to wire fraud and bankruptcy fraud. This case was the result of a several month investigation by the Hamilton County Sheriff's Office, Hamilton County Prosecutor's Office, Indiana Attorney General's Office—Homeowner Protection Unit, United States Trustee, Region 10, and the Federal Bureau of Investigation. Donella Locke, a co-defendant charged with Ross, was sentenced to 71 months in prison on January 27, 2010, following her conviction for wire fraud by a jury guilty verdict in September, 2009.

Ross engaged in a mortgage fraud scheme involving 34 properties ranging in value from \$300,000 to \$1.4 million. The homes were located in Noblesville, McCordsville, Carmel, Indianapolis, Brownsburg, Zionsville, Westfield, Fishers, Nineveh and Fortville. Numerous lenders suffered a loss of about \$5.6 million dollars as a result of the fraud.

The investigation began in 2005 after a relative of Ross reported that she had used his credit information without his permission. This relative's credit report showed that properties and vehicles had been purchased and leased using his credit information. The scheme used a false social security number to the lender, and generated false verifications of employment, false verifications of rent, used false business names, and submitted false income amounts. For other properties, Ross represented that repair and rehabilitation work would be done to the properties. No such work was ever done. The false statements to the lenders resulted in them lending money they would not have otherwise loaned. Few payments were made on any of the mortgages obtained on the 34 properties.

Ross also filed 5 bankruptcy petitions between 2005-2006, the same time period she was engaging in her mortgage fraud scheme. The bankruptcy petitions were designed to immediately stop the foreclosure proceedings on the properties she purchased without permission. Ross never

followed up by filing supporting paperwork for the petitions. Victim lenders trying to foreclose had to expend extra time and resources working through the foreclosure proceedings and the bankruptcy filings.

"It is essential that the citizens of this country have confidence that our bankruptcy system works fairly," stated Nancy J. Gargula, the United States Trustee for Indiana and the Central and Southern District of Illinois (Region 10), "and I am gratified by the actions taken by United States Attorney Morrison and the members of the Bankruptcy Fraud Working Group for Southern Indiana to prosecute those who engage in fraudulent conduct. Today's sentence sends a strong message that abusing the bankruptcy system will not be tolerated." Members of the Southern Indiana Bankruptcy Fraud Working Group include representatives of the United States Attorney's Office for the Southern District of Indiana; Office of the United States Trustee for Indiana and Southern and Central Illinois (Region 10); Federal Bureau of Investigation; Internal Revenue Service; United States Postal Inspection Service; Social Security Administration; and Department of Health and Human Services, among others. The United States Trustee Program is the component of the Justice Department that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws.

"This individual engaged in a brazen pattern of deceit to mislead victims out of millions of dollars, and now she is being held accountable for her actions. Protecting the home-buying public from mortgage fraudsters is a high priority for the Indiana Attorney General's Office, and so we are pleased that the close collaboration with our federal and state colleagues produced a successful outcome in this case," said Deputy Attorney General Gabrielle Owens, section chief of the Homeowner Protection Unit (HPU) of the Attorney General's Office.

According to Assistant U.S. Attorney Gayle L. Helart and Bradley P. Shepard , who prosecuted the case for the government, Judge McKinney also imposed three years supervised release following Ross's release from prison. Ross was ordered to make restitution in the amount of \$5.6 million dollars to 21 different victim lenders.

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